

CALIFORNIA STATE BOARD OF ACCOUNTANCY

INFORMATION

IN REGARD TO

Examinations for Certified Public Accountants

Issued by
State Board of Accountancy
San Francisco, California

AUGUST, 1920



CALIFORNIA STATE PRINTING OFFICE
SACRAMENTO

1920

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PREFACE.

What is a C. P. A?

What does he do?

How may I become a California C. P. A?

To answer these questions, to the end that public and private undertakings may be served by increasing numbers of qualified accountants, this booklet has been prepared.

THE LAW.

Sec. 3 (see page 23) provides: Any citizen * * * may apply for examination * * * and upon issuance and receipt of such certificate, and during the period of its existence, or any renewal thereof, he shall be styled and known as a Certified Public Accountant or Expert of Accounts, and no other person shall be permitted to assume and use such title or to use any words, letters or figures to indicate that the person using the same is a Certified Public Accountant.

THE FUNCTION OF THE PUBLIC ACCOUNTANT.

The experienced bookkeeper is or should be truly expert in his work, but ability to add a column of figures rapidly is not an absolutely essential qualification (however desirable as a personal attribute) of the public accountant.

The public accountant is a counsellor on matters of finance and accounts. If to the technical knowledge of his work he has added a wide general knowledge, his statement of facts in an audit, his conclusions and opinions in an examination, the accounting and business procedure devised by him will be correspondingly more valuable to his client.

As the architect is supplemented by the carpenter, so the accountant is supplemented by the bookkeeper. The accountant designs, installs and inspects (audits) a system of accounts, the bookkeeper maintains or operates the system.

While closely related, the two branches of the public accountant's work, auditing and the devising of business and accounting procedures, call for widely different faculties.

The successful auditor is keenly analytical, thoroughly familiar with the theory of accounts as applied in modern business practice, and well grounded in the fundamental principles of the law that relate to the work undertaken by him. Auditing may be defined as the inspection and examination of accounts, and if the scope and purpose of the audit is limited, as in banking, insurance, and in many branches of railroad and public utility auditing, the broad knowledge required of the Certified Public Accountant as an auditor will not be found imperatively necessary.

The successful deviser of business and accounting procedures has the knowledge of the auditor and in addition to constructive ability, a high degree of imagination.

But the public accountant must have more than technical ability, he must be able to present the result of his examination in financial statements which are intelligible to his client, and his written comment or report must be expressed in clear and concise language. It is not sufficient that the accounting has been honest, and that the statements presented are correct—they must be presented so graphically that the layman will understand their intent and purpose, and be able to draw correct conclusions from the data submitted.

The once widespread belief that the work of the public accountant is chiefly the discovery of defalcations, embezzlements, falsification of records, etc., is gradually being corrected. Audits at frequent intervals in large undertakings, annually or perhaps semiannually in smaller enterprises, undoubtedly provide the proverbial "ounce of

prevention" in the moral effect these examinations have upon the clerical staff, but the chief value of an audit to the client lies in the presentation to him, by unbiased and unprejudiced authority, of a concise statement of financial condition, a clear statement of operations, and sagacious comment thereon.

The public accountant's work is constructive. An analysis of conditions by a qualified public accountant directs attention to the "leaks" and the necessary means for turning a loss into a profit. Increasingly bankers are recommending public accountants to their customers, attorneys are calling upon accountants to aid them in the solution of technical questions arising in the preparation of partnership and other contracts, in partnership dissolutions, in estate matters, in corporation organization, consolidations, etc., and in other matters affecting the financial welfare of their clients.

It is now recognized that questions of financial import are not "mere matters of bookkeeping," and that competent and authoritative opinion on accounting is as valuable as corresponding competent opinion in legal matters. The preference given by the Federal Reserve Board to "certified paper," *i.e.*, commercial paper backed by a Balance Sheet certified as correct by a Certified Public Accountant, over uncertified paper, the recognition of Certified Public Accountants by the courts and public service commissions in all accounting matters, their employment in many branches of the Federal Government, their service to the public in the preparation of Income and War Tax returns, are indications of the demands that are made upon them and of the importance of the work done by them.

Examinations for the C. P. A. certificate can at most only be a test of the candidate's technical knowledge. The examination requirements appear severe to those not familiar with the magnitude of the subject and to those really capable bookkeepers who call themselves accountants because they have thoroughly mastered the principles of double-entry bookkeeping and their application in one or more systems of accounts, but who are otherwise unfamiliar with the broad field covered by the term "Theory of Accounts."

The door is wide open and the demand for qualified accountants is constantly increasing. Resident instruction in accounting (so-called higher accounting) is available at the University of California, at Leland Stanford Junior University, at night schools in Los Angeles and in San Francisco. Correspondence instruction is offered by numerous institutions throughout the country. All of these courses have merit and if supplemented by practical experience on actual accounting work, will measurably aid the candidate in his endeavors to gain the coveted title of C. P. A.

EXAMINATION REQUIREMENTS.

It is the desire of the California State Board of Accountancy that certificates granted by this board shall continue to rank equal to or higher than those of other states. The higher the standard of the examinations set by the board, the more valuable the right of the successful candidate to designate himself a *Certified Public Accountant*.

Within the last decade there have been many valuable contributions to the literature of accountancy. Authoritative and complete information is available on many subjects to the student today, the very elements of which were unattainable by the practicing accountant a few years ago.

The candidate will be presumed to have a thorough knowledge of English grammar and construction. There will be no examination paper in English, but the candidate must be able to express himself clearly and concisely.

Examinations will be held in May and November of each year under the joint auspices and control of the California State Board of Accountancy and the American Institute of Accountants, uniform with similar examinations held in other states at the same times.

GENERAL ACCOUNTING.

This head includes the questions and problems set under the designated headings of "Auditing" and "Accounting Theory and Practice" (Theory of Accounts and Practical Accounting). The candidate will be presumed to have thorough knowledge of the theory of and application of accounts, the various forms of business organizations (sole traders, partnerships, corporations, etc.) the methods under which they are administered, the manner of conducting audits and to be prepared to examine and to report on all matters relating to accounts or accounting practice. Familiarity with the elements of actuarial science and a general knowledge of government, economics and finance are essential.

The examination will be based chiefly upon the following subjects:

Trading.

Accounting Organization and Administration of Wholesale, Jobbing, Distributing and Retail Establishments:

Financial Accounts	Audits
Stock Accounts	Income Tax Returns
Cost Accounts	

Manufacturing.

Accounting Organization and Administration of Manufacturing Establishments:

Financial Accounts	Depreciation
Manufacturing Costs	Income Tax Returns
Stock Accounts	Audits

Mining.

Accounting Organization and Administration of Gold, Coal, Iron,
Precious Stones and other mines, Oil Wells:

Financial Accounts	Depreciation
Mining Costs	Income Tax Returns
Audits	Depletion

Public Utilities.

Water	Electric	Power
Railroads	Telephone	Elevators
Street Railroads	Telegraph	Irrigation
Gas		Pipe Lines

Accounting Organization and Administration:

Capital Accounts
Revenue and Operating Accounts
Balance Sheets, Audits, Interstate Commerce and Railroad Com-
mission requirements
Depreciation
Income Tax Returns

Banking.

National Banking System—Federal Reserve Bank
State Banks in California
Savings Banks and Building and Loan Associations
Trust Companies
Brokers—Note, Bond, Stock
Foreign Exchange.

Accounting Organization and Administration
Nature of Accounts of Each
Nature of Audits and Method of Procedure

Insurance.

Life	Compensation	Fidelity
Fire	Accident	Other Forms
Marine		

Organization of Mutual Companies
Organization of Stock Companies
Accounting Organization and Administration
Reserves
Income Accounts
Balance Sheets
Audits—including Agency and Broker's Office Audits.

Governmental.

Federal	District	County
State		Municipal

Public and Private Accounts
Revenue and Expenditure
Appropriations
Budgets
Balance Sheets
Audits of Municipally owned Utilities

Funds

Miscellaneous.

Decedents' Estates
Minors' Estates
Contractors', Hotel and Theatrical Accounts
Bankrupt Estates
Clubs and Fraternal Organizations
Charitable Institutions
Accounts Professional Men
Shipping and Single Ship Ventures
Consolidations and Mergers
Bond Issues, Amortization, etc.

COMMERCIAL LAW.

Much weight will be attached to the papers under the heading of "Commercial Law."

The candidate should be well grounded in the fundamental principles of those branches of the law that relate to work usually undertaken by the public accountant.

These are considered under the following headings: Contracts, Partnership, Corporations, Real Estate and Personal Property, Decedents, Estates, Landlord and Tenant, Banking, Insurance, Evidence, Fraud, Agency, Negotiable Instruments.

In addition to familiarity with the leading principles of the law, the candidate is expected to be familiar with the California statutes pertaining to the above subjects. The candidate must be well informed upon the several kinds of corporations, purposes for which they may be created, and the laws pertaining to their organization, incorporation, their powers, management, dissolution, rights and obligations of officers, directors, stockholders, or members, and their creditors.

Thorough knowledge of the Federal Income and War Tax Laws and of the California Tax Law, of the account classifications and requirements prescribed by the Interstate Commerce Commission, and by the Railroad Commission of California, is expected.

The candidate is also presumed to be familiar with the requirements of the Federal Reserve Bank Act, of the State Banking Law, Building and Loan Association Law, Investment Companies Act (Blue Sky Law), as well as Bankruptcy Law.

No single examination can cover the entire range of subjects here indicated. Candidates must expect to be examined in the law and accounting affecting Manufacturing, Trading and Public Utility undertakings. Attention is directed to specimen questions, to the bibliography to be found upon the succeeding pages, as well as to the rules governing applications and examinations.

SPECIMEN QUESTIONS,

AUDITING.

10 questions. Time allowance—3½ hours.

What do you understand to be meant by a balance sheet audit? What is its scope? (June, 1917.)

What steps should an auditor take to ensure, as far as possible, that accounts presented to him for audit contain all the liabilities of the company? (June, 1917.)

How would you proceed in a cash audit of a club or fraternal order to ascertain whether the treasurer had charged himself with all the dues paid by members to him? (November, 1917.)

What different classes of obligations and liabilities should be disclosed in an audit for credit purposes? How would you verify those recorded on the books and how would you try to discover any not so recorded? (November, 1917.)

In auditing the accounts of a trustee under a will, what special matters require to be dealt with which do not arise in the audit of a business concern? (November, 1917.)

Give either the classification of notes and accounts receivable suggested in the Federal Reserve Bulletin for April, 1917, for use in audited statements for credit purposes, or an alternative classification. (May, 1918.)

COMMERCIAL LAW.

10 out of 16 to 18 questions. Time allowance 3½ hours.

What is the purpose of a protest? What instruments must be and what may be protested? What instruments need no protest? (November, 1917.)

What does a seller impliedly warrant in the sale of a chattel? (November, 1917.)

What is meant by cumulative voting? Describe and state when it is frequently practiced. (November, 1917.)

A and B are partners. A dies. The assets are found to be worth only 75% of the liabilities in liquidation. A's estate is solvent while B is insolvent. What are the rights of the firm's creditors against A's assets not invested in the partnership, and what are the rights of B's personal creditors as to the partnership assets? State the rule governing such cases. (November, 1917.)

What are the provisions of the income tax and war tax laws as to the deduction from profits of the amounts paid for income tax and war or excess profits tax during the fiscal or calendar year? (May, 1918.)

ACCOUNTING THEORY AND PRACTICE.

Two Parts—Required solution of four problems and six to eight questions in theory.
Time allowance, two sessions, four hours each.

During the year ended December 31, 1917, the A. B. C. Cotton Mills produced 3,893,000 pounds of finished product. There were turned into the mill during the year 4,250,000 pounds of cotton, costing \$750,000.00, and 175,000 pounds of yarn, costing \$60,000.00. The stock in process at the beginning of the year amounted to 150,000 pounds valued at \$20,000.00, and at the end of the year to 200,000 pounds valued at \$60,000.00. Waste produced during the year was 420,000 pounds and realized \$26,000.00. The factory expenses were: Superintendence, \$5,000.00; labor, \$160,000.00; fuel, \$20,000.00; oil, \$1,500.00; mill supplies, \$12,500.00; burlap, \$4,500.00, and starch and sizing, \$7,500.00. For its finished product sold the company realized \$1,250,000.00. On the first of the year the value of the finished product on hand amounted to \$26,000.00, and at the end of the year to \$78,000.00. The selling expenses of the company amounted to \$80,000.00, its general expenses to \$22,500.00, and its extraordinary expenses not applicable to the cost of production to \$50,000.00.

Prepare a comprehensive income account covering the year's operations and give statistics as to the sales and cost of production per pound by items with the invisible gain or loss during the year on cotton passing through the mill. (May, 1918—Part I.)

With what accounts of a bankrupt company would you open the books of a receiver? State your reasons for so doing. (May, 1918—Part I.)

Name two methods of distributing the overhead or indirect expense of a factory so as equitably to transfer such expense to the cost of the different articles manufactured. What advantage has either method over the other? (May, 1918—Part 2.)

What are specification costs? What are their special advantages and disadvantages? (November, 1917—Part 2.)

The prospective purchaser of a business employs you to examine the accounts. What important facts should you give your client in such a case? (November, 1917—Part 2.)

NOTE.—Copies of examination questions may be had upon remittance of 15 cents per set in stamps to the Secretary, 311 California Street, San Francisco.

BIBLIOGRAPHY.

Valuable articles appear in the "Journal of Accountancy," the official organ of the American Institute of Accountants, \$3.00 a year, published by the Ronald Press Company, 20 Vesey Street, New York, who also make a specialty of publishing books on accounting subjects. "The Accountant" and the "Incorporated Accountants Journal," both published in London, England, contain many articles of importance and interest to American students. Most of the important works will be found in the accounting library of the Mechanics Institute (San Francisco); the accountancy library of the University of California is very complete.

A short list of standard works upon accounting here follows. Those starred (*) are especially recommended to the attention of candidates.

- | | |
|---|---|
| Barrett, Albert R.----- | Modern Banking Methods. New York, 1908. |
| Brinton, Willard ----- | Graphic Methods. New York, 1914. |
| Baugh, Frederick H.----- | Theory and Practice of Estate Accounting. Baltimore, 1910. |
| Bennett, R. J.----- | Corporation Accounting. New York, 1917. |
| Bentley, Harry C.----- | Science of Accounts. New York, 1911. |
| Bentley, Harry C.----- | Corporate Finance and Accounting. New York, 1911. |
| Brown, Richard*----- | History of Accountants and Accounting. Edinburgh, 1905. |
| Chamberlain, Lawrence* ---- | Principles of Bond Investment. New York, 1911. |
| Cleveland, Frederick A.----- | Municipal Administration and Accounting. New York, 1909. |
| Cole, William Morse----- | Accounts; Their Construction and Interpretation. Boston, 1908. |
| Cox, Henry C.*----- | Classified C. P. A. Problems and Solutions. New York, 1916. |
| Day, Clarence Monroe----- | Accounting Practice. New York, 1908. |
| Dicksee, L. R.----- | Bookkeeping for Accountant Students. Seventh Edition. London, 1913. |
| Dicksee, L. R.*----- | Advanced Accounting. Fourth Edition. London, 1911. |
| Dicksee, L. R. ----- | Goodwill and Its Treatment in Accounts. Third Edition. London, 1906. |
| Dicksee, L. R. ----- | Auditing (American Edition), edited by Robert H. Montgomery, C. P. A. New York, 1909. |
| Dickenson, A. Lowes*----- | Accounting Practice and Procedure. New York, 1914. |
| Esquerre, Paul Joseph----- | The Applied Theory of Accounts. New York, 1917. |
| Greendlinger, Leo ----- | Accountancy Problems. New York, 1911. Two volumes. |
| Harcastle, Joseph ----- | Accounts of Executors and Trustees. New York, 1903. |
| Hatfield, Henry Rand*----- | Modern Accounting. New York, 1912. |
| Kirkbride (F. B.) & Sterrett
(J. E.) ----- | The Modern Trust Company. New York, 1908. |
| Klein, J. J.----- | Elements of Accounting. New York, 1915. |
| Leake, B. D.----- | Depreciation and Wasting Assets. London, 1912. |
| Leonhauser, U. R.----- | Municipal Accounting. New York, 1913. |

- Lisle, George* ----- Accounting in Theory and Practice. London, 1909.
 Montgomery, Robert H.* ----- Auditing Theory and Practice. New York, 1917.
 Nicholson, J. Lee ----- Factory Organization and Costs. New York, 1911.
 Nicholson, J. Lee ----- Costs Accounting, Theory and Practice. New York, 1913.
 Patten, Claudius P. ----- Methods of Practical Banking.
 Pixley, Francis ----- Accountancy. London, 1911.
 Pixley, Francis ----- Auditors; Their Duties and Responsibilities. Two volumes. London, 1906.
 Rahill, J. J. ----- Corporation Accounting and Corporation Law. New York (out of print).
 Stockwell, Herbert G. ----- Net Worth and the Balance Sheet. New York, 1912.
 Rae, George ----- The Country Banker.
 Rosenthal, Henry S. ----- Building, Loan and Savings Associations. Third Edition. Chicago, 1911.
 Rowe, H. M. ----- Bookkeeping and Accountancy. Baltimore, 1911.
 Sprague, C. E.* ----- The Philosophy of Accounts. New York, 1908.
 Sprague, C. E.* ----- The Accountancy of Investment. Fourth Edition. New York, 1907.
 Wolfe, Herbert S. ----- The Examination of Insurance Companies New York, 1910.
 Webner, F. E. ----- Factory Costs. New York, 1911.
 Webner, F. E. ----- Factory Accounting. Chicago, 1917.
 Wildman, John R. ----- Cost Accounting. New York, 1911.
 Encyclopedia of Accounting --- Edited by Geo. Lisle. Eight volumes. Edinburgh, 1903-S.
 The Accountants Library, London. A series of some forty volumes treating on special branches of accounting gives many forms applicable to the particular needs of various classes of establishments.
 The Ronald Accounting Library, New York. A series of volumes on accounting in theory and practice by American authorities.
 Interstate Commerce Commission Division of Statistics and Accounts. Accounting Series.
 (The above documents formulate and explain the rules of the Commission applicable to railways.)
 Railroad Commission of California. Classification of accounts for public service corporations.
 Treasury Department of the United States. Decisions and Rulings on Income and War Tax Law.
 Bush, Coleman Hall* ----- Uniform Business Law. Baltimore, 1915.
 Corporation Trust Co. ----- Income and War Tax Service. New York.
 Huffcut, Ernest W. ----- Elements of Business Law. Boston, 1905.
 Sullivan, J. J. ----- American Business Law. New York, 1909.
 Williston Samuel ----- Commercial Law prepared for Am. Inst. of Banking. New York, 1915.
 State of California ----- Civil Code, Political Code, Code of Civil Procedure.
 Federal Reserve Board ----- Uniform Accounting. April, 1917.
 King, George ----- Institute of Actuaries Text Book.
 Dawson, Miles M. ----- Practical Lessons in Actuarial Science.
 Glen, Ninian ----- Manual of Actuarial Science.
 Robertson (Wm. A.) & Ross
 (Fred A.) ----- Actuarial Theory.

RULES GOVERNING EXAMINATIONS OF CANDIDATES FOR C. P. A. CERTIFICATE.

1. Examinations will be held in May and in November of each year at San Francisco and at Los Angeles.
2. Examinations will be held under the joint auspices and control of the California State Board of Accountancy and the American Institute of Accountants, uniform with similar examinations held in other states at the same times.
3. Every application for examination must be made on a form provided by the board and no application shall be filed by the secretary-treasurer unless accompanied by the statutory fee of \$25.00.
4. Every candidate shall file his application with the secretary-treasurer at least thirty days prior to the time set for holding of an examination.
5. The secretary-treasurer shall file and preserve the application among the records of the board, enter upon the books of the board the receipt of same and of the fee and deliver to the candidate a receipt on a printed form provided by the board.
6. The secretary-treasurer shall notify the candidate of the time and place appointed for holding an examination, immediately when they are so appointed.
7. At least three references for the ascertainment of his character must be given by every applicant in his application and no person will be granted a certificate of Certified Public Accountant unless the board is satisfied from such inquiry as it may see fit to make that he is possessed of good moral character.
8. Every candidate for the certificate of Certified Public Accountant must have an education equivalent to that of a graduate of a high school accredited by the University of California.
9. Every candidate must have had at least three years accounting experience, at least two years of which shall have been in the office of a Certified Public Accountant or in equivalent experience upon actual accounting work.
10. Candidates without the required two years experience in the office of a Certified Public Accountant will be permitted to take the examination, but no certificate will be issued until the successful candidate has completed the required two years experience on actual accounting work.
11. Every candidate for the certificate of Certified Public Accountant shall be subjected to an examination which shall be wholly in writing upon forms furnished by the board.

12. Every written examination paper must be completed within the time allotted by the committee on examination but such time limit as to the whole examination shall not be less than two days of six hours each.
13. In order to entitle a candidate to recommendation for the certificate, he must secure a grade of at least 75 per cent in each subject in which he is examined.
14. In the event of a candidate receiving a grade of 75 per cent or better, in two or more subjects, he may make application within twelve months in the usual manner for examination, and the board at its option may permit his examination to be confined to those subjects in which he failed.
15. In event of applicant failing to pass the examination an additional fee of \$25.00 shall be required for a subsequent examination, without regard to the number of subjects in which the candidate is examined.
16. Before commencing the examination each candidate must select a number which must be delivered to the committee on examination, sealed in an envelope together with his name.
17. Every examination paper must have the number selected by the candidate noted thereon.
18. Papers must be delivered to the committee on examinations on or before the close of the time allotted for completion.
19. At the option of the candidate examination papers will also be graded by the Board of Examiners of the American Institute of Accountants to count as partial satisfaction of admission requirements.
20. All examination papers remain the property of the board, and none will be returned to the candidate.

RULES GOVERNING LICENSED CERTIFIED PUBLIC ACCOUNTANTS.

21. Every certificate or renewed certificate of Certified Public Accountant shall, while it remains in the possession of the grantee, always be kept by him in a conspicuous place in his office or place of business. But such certificates shall nevertheless always remain the property of the board and in the event that the certificate is not annually renewed as required by the act creating the board or is revoked for cause in the manner prescribed it shall be forthwith delivered by the holder into the hands of the secretary-treasurer of the board on demand; and in the event of his refusal or failure to do so the board reserves the right in a

lawful manner through any of its officers or agents to enter any place where such certificate may be and retake same into its possession. If the certificate of any Certified Public Accountant is taken for failure to renew the same or is revoked and afterwards a new certificate is granted him, he shall receive and hold the new certificate on the same conditions upon which he received and held his former certificate.

22. Every certificate except such as have been revoked shall be annually renewed as required by the act creating the board. Application for renewal shall be made by the holder to the secretary-treasurer of the board accompanied by the statutory fee of one dollar within the month of January each year. If not so renewed during the month of January, it may be taken from the possession of the holder in the manner provided in Rule 21 and unless before the first day of July in that year an application is made to the board for a renewal accompanied by the renewal fee and an explanation satisfactory to the board of the failure to apply for a renewal during the month of January, the person so delinquent shall be deemed to have renounced and abandoned the style of Certified Public Accountant, and his name shall be stricken from the roll of Certified Public Accountants.

**PETITIONS FOR REVOCATION OF CERTIFICATES FOR
UNPROFESSIONAL CONDUCT.**

23. Any person may petition the board for revocation of the certificate of a Certified Public Accountant. The petition shall set forth in simple language the facts upon which the petitioner grounds his petition. It shall bear an affidavit of the petitioner that he believes the matters of fact stated therein to be true and is prepared to prove them at a hearing of the petition by the board. The petition accompanied by one true copy thereof shall be filed in the office of the board and thereupon it shall be the duty of the secretary-treasurer forthwith to notify the president or in his absence the vice-president of the filing thereof. Upon the receipt of such notification it shall be the duty of the president or vice-president forthwith to call a meeting of the board to consider the petition. If, upon consideration of the petition at such special meeting, a majority of the members present shall be of the opinion that it states matters of fact which if true would be sufficient cause for the revocation of the certificate, the board shall appoint a time and place not less than ten days or more than thirty days thereafter to hear evidence in support of and in opposition to the

granting of the petition. The secretary-treasurer shall thereupon in writing give notice of the time and place appointed for the hearing to the petitioner and the person complained of and shall with the notice deliver to the person complained of a copy of the petition.

24. If the person complained of shall be a member of the Board of Accountancy the secretary-treasurer shall immediately on receipt of the petition in writing notify him and every member of the board of the petition and the person complained of shall thereafter abstain from any participation in any consideration of or acts of the board upon the subject of the petition.
25. If the certificate of a Certified Public Accountant shall be revoked and after its revocation he shall discover evidence which if produced at the hearing of the petition for revocation might have affected favorably to him the judgment of the board he may petition the board to grant him another hearing. His petition shall be accompanied by a statement of the newly discovered evidence and if upon consideration of the petition and the newly discovered evidence a majority of the members of the board are of the opinion that another hearing should be granted they may order such new hearing to take place not less than ten nor more than thirty days thereafter and appoint a place therefor. A copy of the petition for the new hearing and a notice of the time and place appointed therefor shall be served by the secretary-treasurer, not less than ten days prior to the time appointed, on the petitioner upon whose petition the certificate was revoked. On the new hearing the board may make such order restoring or declining to restore the certificate as it shall deem just.
26. The board may in its discretion advertise the fact of the revocation or restoration of a certificate as a Certified Public Accountant in such newspaper or newspapers and in such manner and for such period as it may direct.

RULES FOR APPLICATIONS FOR CERTIFICATE UNDER RECIPROCITY CLAUSE.

31. Every candidate for the certificate of Certified Public Accountant under the Reciprocity Clause of the Accountancy Act of the State of California may file his application upon the form provided with the secretary-treasurer, accompanied by the fee, at any time, but no application shall be finally acted upon until at least sixty days have elapsed after the application has been filed.

32. Within thirty days after the filing of any application the secretary-treasurer of the state board shall furnish to all members thereof a copy of said application for their information. The secretary-treasurer shall file and preserve the application among the records of the board, enter upon the books of the board the receipt of same and of having delivered to the candidate a receipt upon a printed form provided by the board.
33. The fee upon application for the certificate of Certified Public Accountant shall be \$25.00. In the event of the application being denied, the fee deposited shall be returned.
34. At least three references for the ascertainment of his character must be given by every applicant in his application and no person shall be granted the certificate of Certified Public Accountant unless the board is satisfied from such inquiry as it may see fit to make that he is possessed of good moral character.
35. Every candidate must file with his application an affidavit certifying to the following facts:
 - (1) Full name.
 - (2) Date and place of birth. (Applicant must be a citizen of the United States or duly declared his intention of becoming such.)
 - (3) Residence and place of business.
 - (4) Preliminary education. (Applicant not holding high school certificate should submit equivalent, as specified in the Rules of Examination.)
 - (5) Number of years candidate has practiced as Certified Public Accountant or Chartered Accountant in another state or nation, under a charter or certificate of his qualifications to so practice, issued by the proper authorities of such state or nation.
 - (6) A statement disclosing the educational prerequisite necessary in the state or nation from which he received his certificate.
 - (7) A statement as to what examinations, if any, he took in order to secure his certificate.
36. No certificate shall be granted to any applicant based upon a certificate of any state or nation where the examination for said certificate was waived by such state or nation, unless such certificate was granted prior to March 23, 1902, the date upon which admission by waiver ceased in the State of California.
37. Rules Nos. 21, 22, 23, 24, 25 and 26 shall apply equally to candidates for admission from other states or nations.

LIST OF STATES HAVING C. P. A. LAWS.

Forty-six of the forty-eight states of the Union have adopted C. P. A. laws within the past twenty-four years, as follows:

In—

- 1896—New York.
- 1899—Pennsylvania.
- 1900—Maryland.
- 1901—California.
- 1903—Washington, Illinois.
- 1904—New Jersey.
- 1905—Michigan, Florida.
- 1906—Rhode Island.
- 1907—Utah, Colorado, Connecticut.
- 1908—Ohio, Louisiana, Georgia.
- 1909—Montana, Nebraska, Minnesota, Massachusetts, Missouri.
- 1910—Virginia.
- 1911—West Virginia, Wyoming.
- 1912—Vermont.
- 1913—Oregon, North Carolina, North Dakota, Nevada, Tennessee, Delaware, Maine, Wisconsin.
- 1915—South Carolina, Indiana, Arkansas, Kansas, Texas, Iowa.
- 1916—Kentucky.
- 1917—Oklahoma, South Dakota, New Hampshire, Idaho.
- 1918—Alabama, Arizona.

Reciprocity relations have been established by the California State Board of Accountancy with the respective state boards in the states of Maryland, Michigan, Colorado, Missouri, Montana, and are pending with other states.

OFFICIAL LIST OF CERTIFIED PUBLIC ACCOUNTANTS REGISTERED SEPTEMBER 1, 1920.

No.	Name	Year	Address.
3.	Prentiss Maslin -----	1901 W	City Hall, Sacramento, California.
4.	Lester Herrick -----	1901 W	Merchants Exchange Bldg., S. F.
5.	Wm. B. Daugherty-----	1901 W	Stockton, California.
6.	Cyril Williams -----	1901 W	Care City Hall, San Francisco.
8.	Norman McLaren -----	1901 W	519 California St., San Francisco.
11.	A. Wenzelburger -----	1901 W	324 Foxcroft Bldg., San Francisco.
12.	James L. Fields-----	1901 W	Claus Spreckels Bldg., San Francisco.
13.	John J. Rahill-----	1901 W	Cutter Analytical Laboratory, 6th and Grayson Sts., Berkeley.
14.	Chas. F. Thompson----	1901 W	Care Jackson Furniture Co., 13th and 14th Sts., Oakland.
15.	P. A. H. Arata-----	1901 W	San Luis Obispo, California.
18.	Jos. W. Amrath-----	1901 W	200 5th Ave., New York.
24.	W. G. Langdon-----	1901 W	228 William St., New York.
29.	Wm. C. Mushet-----	1902 W	512 Union League Bldg., Los Angeles.
30.	Thomas E. Atkinson----	1902 W	201 Sansome St., San Francisco.
32.	John F. Foster-----	1902 W	2325 Larkin St., San Francisco.
35.	Jos. W. Cavis-----	1902 W	11 East Park, Stockton, California.
38.	W. R. Blackman-----	1902 W	718 Hibernian Bldg., Los Angeles.
39.	Edmond H. Spencer-----	1902 W	Bradbury Bldg., Los Angeles.
40.	John J. Hassell-----	1902 W	845 Title Insurance Bldg, Los Angeles.
41.	John R. Ruckstell-----	1902 W	Claus Spreckels Bldg., San Francisco.
42.	John Hoesch -----	1902 W	Sacramento, California.
48.	Percy G. Goode-----	1904 E	519 California St., San Francisco.
52.	Henry Laws -----	1904 E	304 Oak Lawn Ave., Pasadena.
54.	Chas. V. Rowe-----	1904 E	Claus Spreckels Bldg., San Francisco.
55.	Herbert E. Gibson-----	1904 E	234 Alamar Ave., Santa Barbara.
56.	Francis G. Phillips-----	1904 E	406 Call Bldg., San Francisco.
58.	Chas E. Cornell-----	1904 E	Oakland Bank of Savings Bldg., Oakland.
59.	Geo. T. Klink-----	1904 E	Oceanic Bldg., San Francisco.
61.	Anson Herrick -----	1904 E	Merchants Exchange Bldg., San Francisco.
63.	C. M. Miall-----	1905 E	Lewis Bldg., Portland, Ore.
64.	John F. Forbes-----	1905 E	Crocker Bldg., San Francisco.
65.	Walter H. Cramer-----	1905 E	268 Market St., San Francisco.
66.	H. Ivor Thomas-----	1907 E	616 Higgins Bldg., Los Angeles.
67.	W. J. Palethorpe-----	1907 E	H. W. Hellman Bldg., Los Angeles.
69.	R. W. E. Cole-----	1907 E	Van Nuys Bldg., Los Angeles.
71.	Stanley Pedder -----	1908 E	First Natl. Bank Bldg., San Francisco.
72.	James F. Smyth-----	1908 E	Merchants Exchange Bldg., San Francisco.
73.	William Dolge -----	1908 E	311 California St., San Francisco.
74.	Thos. W. Smyth-----	1908 E	1440 Broadway, Oakland.
75.	W. D. Ballantine-----	1908 E	212 Union Oil Bldg., Los Angeles.
76.	Frederic M. Lee-----	1908 E	485 California St., San Francisco.
77.	Robert S. Guthrie-----	1908 E	Board of Trade Bldg., Portland, Ore.
79.	C. O. B. Murphy-----	1908 E	Grand Rapids, Michigan.
80.	C. P. Chamberlain-----	1908 E	311 California St., San Francisco.
82.	Alfred P. Robinson-----	1908 E	Crocker Bldg., San Francisco.
83.	Joshua Walker -----	1909 E	114 Sansome St., San Francisco.
84.	Harry J. Cooper-----	1909 E	Oceanic Bldg., San Francisco.
85.	Robert E. Brotherton----	1909 E	322 Chronicle Bldg., San Francisco.
86.	Alphonse Sutter-----	1909 E	Nevada Bank Bldg., San Francisco.
87.	Henry S. Patterson-----	1909 E	Mills Bldg., San Francisco.
88.	B. W. Bours-----	1910 E	Crocker Bldg., San Francisco.

89.	E. M. Shibley	-----	1910	E	324 Foxcroft Bldg., San Francisco.
90.	J. B. Hassett	-----	1910	E	San Francisco.
91.	C. A. Baskerville	-----	1910	E	703 Auditorium Bldg., Los Angeles.
93.	R. L. McCrea	-----	1910	E	1162 5th Ave., Los Angeles.
94.	Reynold E. Blight	-----	1910	E	1020 Washington Bldg., Los Angeles.
96.	A. C. Hopkinson	-----	1912	E	Merchants Exchange Bldg., San Francisco.
97.	J. O. Sully	-----	1912	E	Merchants Natl. Bk. Bldg., San Francisco.
98.	W. P. Musaus	-----	1912	E	605 Fay Bldg., Los Angeles.
99.	M. H. Bennett	-----	1912	E	225 Central Bldg., Los Angeles.
100.	C. S. Black	-----	1912	E	Title Insurance Bldg., Los Angeles.
102.	O. T. Johnson	-----	1912	E	347 Madison Ave., N. Y.
103.	A. M. Loomis	-----	1912	E	630 Black Bldg., Los Angeles.
104.	Harry Probert	-----	1912	E	432 Mills Bldg., San Francisco.
105.	Frederick F. Hahn	-----	1913	E	Haas Bldg., Los Angeles.
106.	J. L. Davis	-----	1913	E	415 Investment Bldg., Los Angeles.
107.	S. S. Barnard	-----	1913	E	Clunie Bldg., San Francisco.
108.	R. R. Kilroe	-----	1914	R	First Natl. Bk. Bldg., San Francisco.
109.	Geo. E. H. Satchell	-----	1915	E	311 California St., San Francisco.
110.	Myrtle Cerf	-----	1915	E	Clunie Bldg., San Francisco.
111.	Walter C. Wright	-----	1915	E	H. W. Hellman Bldg., Los Angeles.
112.	Addison G. Strong	-----	1916	E	Newhall Bldg., San Francisco.
113.	Walter Hood	-----	1916	E	Newhall Bldg., San Francisco.
114.	C. E. Van Dame	-----	1916	E	Bumiller Bldg., Los Angeles.
115.	P. C. Davis	-----	1916	E	L. C. Smith Bldg., Seattle, Wash.
116.	H. R. Weile	-----	1916	E	1000 Union St., San Francisco.
117.	Hugh O. Fairlie	-----	1917	E	Crocker Bldg., San Francisco.
118.	A. Van Oss	-----	1917	R	First Natl. Bk. Bldg., San Francisco.
119.	J. B. Geijsbeek	-----	1917	R	Foster Bldg., Denver, Colorado.
121.	Bcn Morris	-----	1917	R	1230 Foster Bldg., Denver, Colorado.
123.	J. B. Stiteler, Jr.	-----	1917	E	815 Adams St., Seattle, Wash.
124.	C. A. H. Narlian	-----	1918	E	208 So. La Salle St., Chicago, Ill.
125.	F. Beveridge	-----	1918	E	Bethlehem Shipbldg Corp., Union Plant, San Francisco.
126.	Wm. Gardiner	-----	1918	E	948 Market St., San Francisco.
127.	Francis P. Farquhar	-----	1918	E	Clunie Bldg., San Francisco.
128.	Wm. P. Field	-----	1918	E	315 Horter Bldg., Pi y Margail 7, Havana.
129.	Roy S. Stone	-----	1920	E	1315 S. Flower St., Los Angeles.
130.	Geo. Rea	-----	1918	E	555 Summer Ave., Newark, N. J.
131.	Harry Dumville	-----	1918	E	First Natl. Bk. Bldg., San Francisco.
132.	Winthrop T. Floyd	-----	1918	E	First Natl. Bk. Bldg., San Francisco.
133.	A. C. Fullerton	-----	1918	E	Crocker Bldg., San Francisco.
134.	Charles C. Staehling	-----	1918	E	2527 Le Conte Ave., Berkeley.
135.	W. H. Teasley	-----	1918	E	626 S. Spring St., Los Angeles.
136.	Dorr Austin	-----	1919	E	625 Market St., San Francisco.
137.	S. Gundelfinger	-----	1919	E	State Board of Control, Sacramento.
138.	John J. Petty	-----	1919	E	Merchants Ex. Bldg., San Francisco.
139.	A. D. Macleod	-----	1919	E	Van Nuys Bldg., Los Angeles.
140.	Gordon Robb	-----	1919	E	Chronicle Bldg., San Francisco.
141.	Fred D. Bullock	-----	1919	E	441 Flood Bldg., San Francisco.
142.	Harold A. Kellogg	-----	1919	E	9 Main St., San Francisco.
143.	Herbert A. Wheeler	-----	1919	E	1176 No. Vermont Ave., Los Angeles.
144.	Wm. R. Wright	-----	1919	E	917 Citizens Natl. Bk. Bldg., Los Angeles.
145.	Judson E. Krueger	-----	1919	E	Crocker Bldg., San Francisco.
146.	Paul Heymann	-----	1919	E	Clunie Bldg., San Francisco.
147.	H. Edwin Nowell	-----	1919	E	Crocker Bldg., San Francisco.
148.	A. R. Heron	-----	1919	E	State Board of Control, Sacramento.
149.	R. M. Fleming	-----	1919	E	1507 Edith St., Berkeley.
150.	Lewis A. Carman	-----	1919	E	Haas Bldg., Los Angeles.
151.	Willis H. Brown	-----	1919	E	Hellman Bldg., Los Angeles.

152.	Thos. D. Colestock-----	1919	E	438 Ninth St., San Francisco.
153.	Leo J. Stephens-----	1919	E	State Board of Control, Sacramento.
154.	E. G. Wunner-----	1919	E	Merchants Natl. Bk. Bldg., San Francisco.
155.	C. M. Dawson-----	1919	E	Hobart Bldg., San Francisco.
156.	Bertha L. Aldrich-----	1920	E	1306 Lexington Ave., Pasadena.
157.	John F. Horton-----	1920	E	1204 Merchants Natl. Bk. Bldg., Los Angeles.
158.	M. S. Kelley-----	1920	E	2191 Cambridge St., Los Angeles.
159.	E. H. Laughlin-----	1920	E	1461 Mohawk St., Los Angeles.
160.	H. M. Thomson-----	1920	E	1020 Title Ins Bldg., Los Angeles.
161.	W. J. Robinson-----	1920	E	2449 Brooklyn Ave., Los Angeles.
162.	W. A. Salmon-----	1920	E	920 Sixth St., Sacramento.
163.	B. H. Hicklin-----	1920	E	311 California St., San Francisco.
164.	L. R. Jacobson-----	1920	E	216 Pine St., San Francisco.
165.	J. L. Pagen-----	1920	E	433 California St., San Francisco.
166.	R. J. Leo-----	1920	E	1101 Crocker Bldg., San Francisco.
167.	E. A. Irwin-----	1920	E	1003 First Natl. Bk. Bldg., San Francisco.
168.	Charles Lumbard -----	1920	E	Capital Natl. Bank Bldg., Sacramento.
169.	B. D. Mattingly-----	1920	E	First Natl. Bk. Bldg., San Francisco.
170.	Charles P. Rupp-----	1920	E	First Natl. Bk. Bldg., San Francisco.
171.	Wm. M. Smith-----	1920	E	First Natl. Bk. Bldg., San Francisco.
172.	T. Noel Bland-----	1920	E	First Natl. Bk. Bldg., San Francisco.
173.	J. W. Watson-----	1920	E	First Natl. Bk. Bldg., San Francisco.
174.	Ernest E. Godfrey-----	1920	E	119 N. Normandie, Los Angeles.
175.	J. E. Kinney-----	1920	E	Fife Bldg., San Francisco.
176.	Julius W. Paeske-----	1920	E	Central Bldg., Los Angeles.
177.	E. J. Aye-----	1920	E	315 N. El Molino Ave., Alhambra.
178.	Norman L. McLaren-----	1920	E	519 California St., San Francisco.
179.	G. A. Gillin-----	1920	E	Crocker Bldg., San Francisco.
180.	Victor Aaron -----	1920	E	Humboldt Bk. Bldg., San Francisco.
181.	R. G. Dow-----	1920	E	Black Bldg., Los Angeles.
182.	Walter K. Mitchell-----	1920	E	H. W. Hellman Bldg., Los Angeles.
183.	Franklin P. Steed-----	1920	E	Van Nuys Bldg., Los Angeles.
185.	B. F. Garrett-----	1920	E	2 Pine St., San Francisco.
186.	Harvey J. Stevenson-----	1920	E	Black Bldg., Los Angeles.
187.	Chas. H. Hubbell-----	1920	R	Westminster Bldg., Chicago, Ill.
188.	A. E. Hamilton-----	1920	R	1227 Harper Ave., Los Angeles.
189.	Page Lawrence-----	1920	R	Foster Bldg., Denver, Colo.
190.	Charles S. Ludlam-----	1920	R	469 Fifth Ave., New York.
191.	Homer A. Dunn-----	1920	R	469 Fifth Ave., New York.
192.	Howard B. Cook-----	1920	R	469 Fifth Ave., New York.

IN MEMORIAM.

No.	Name.
1—	Alfred George Platt.
2—	Edward E. Bostwick.
7—	P. M. Scott.
9—	Allen Knight.
17—	W. W. Coons.
19—	L. Schumacher.
27—	John Crawford.
31—	Julian B. Harries.
33—	Francis E. Beck.
37—	Colin MacKenzie.
47—	Wm. O. Henn.
50—	Ralph de Clairmont.

No.	Name.
49—	T. T. Atkinson.
51—	E. B. Bullock.
62—	F. B. Jansen.
68—	W. F. G. Blaikie.
70—	L. H. Greenhood.
78—	Jas. W. Barber.
81—	H. M. Brace.
92—	P. J. Dubbell.
95—	Wm. Mackendrick.
122—	Wellington F. Draper.
184—	Clarence E. Heald.

ACT OF MARCH 23, 1901, AND AMENDMENT.

An act to create a State Board of Accountancy and prescribe its duties and powers; to provide for the examination of and issuance of certificates to qualified applicants, with the designation of certified public accountant; and to provide the grade of penalty for violations of the provisions hereof.

(Approved March 23, 1901.)

The people of the State of California, represented in senate and assembly, do enact as follows:

Section 1. Within thirty days after the passage of this act the governor shall appoint five persons, at least three of whom shall be competent and skilled public accountants who shall have been in practice as such in this state for not less than five consecutive years, to constitute and serve as a state board of accountancy. The members of such board shall, within thirty days after their appointment, take and subscribe to the oath of office as prescribed by the Political Code, and file the same with the secretary of state. They shall hold office for four years, and until their successors are appointed and qualified; save and except that one of the members of the board first to be appointed under this act shall hold office for one year; one for two years; one for three years, and two for four years. Any vacancies that may occur from any cause, shall be filled by the governor for the unexpired term; *provided*, that all appointments made after the first year must be made from the roll of certificates issued and on file in the office of the governor.

Sec. 2. The state board of accountancy shall have its office in the city and county of San Francisco, and its powers and duties shall be as follows:

1. To formulate rules for the government of the board and for the examination of and granting of certificates of qualification to persons applying therefor;

2. To hold written examinations of applicants for such certificates, at least semi-annually, at such places as circumstances and applications may warrant;

3. To grant certificates of qualification to such applicants as may, upon examination, be found qualified in "theory of accounts," "practical accounting," "auditing," and "commercial law," to practice as certified public accountants;

4. To charge and collect from all applicants such fee, not exceeding twenty-five dollars, as may be necessary to meet the expenses of examination, issuance of certificates and conducting its office; *provided*, that all such expenses, including not exceeding five dollars per day for each member while attending the sessions of the board or conducting examinations, must be paid from the current receipts, and no portion thereof shall ever be paid from the state treasury;

5. To require the annual renewal of all such certificates, and to collect therefor a renewal fee of not exceeding one dollar;

6. To revoke for cause any such certificate, after written notice to the holder, and a hearing being had thereon; *provided*, that such revocation must receive the affirmative vote of at least four members of the board;

7. To report annually to the governor, on or before the first day of December, all such certificates issued or renewed, together with a detailed statement of receipts and disbursements; *provided*, that any balance remaining in excess of the expenses incurred may be retained by the board and used in defraying the future expenses thereof;

8. The board may, in its discretion, under regulation provided by its rules, waive the examination of applicants possessing the qualifications mentioned in section three, who shall have been for more than three years prior to the passage of this act practicing in this state as public accountants on their own account, and who shall, in writing, apply for such certificates within one year thereafter.

Sec. 3. Any citizen of the United States, or any person who has duly declared his intention of becoming such citizen, residing and doing business in this state,

being over the age of twenty-one years and of good moral character, may apply to the state board of accountancy for examination under its rules, and for the issuance to him of a certificate of qualification to practice as a certified public accountant, and upon the issuance and receipt of such certificate, and during the period of its existence, or of any renewal thereof, he shall be styled and known as a certified public accountant or expert of accounts, and no other person shall be permitted to assume and use such title or to use any words, letters or figures to indicate that the person using the same is a certified public accountant.

Sec. 4. Any violation of the provisions of this act shall be deemed a misdemeanor.

Sec. 5. This act shall take effect from and after its passage.

RECIPROCITY AMENDMENT, 1913.

Sec. 3a. Any citizen of the United States, or any person who has declared his intention of becoming such citizen, being over the age of twenty-one years and of good moral character, who has complied with the rules and regulations of the board appertaining to such cases, and who holds a valid and unrevoked certificate as a certified public accountant, or the equivalent thereof, issued by or under the authority of any other state of the United States, or the District of Columbia, or any territory of the United States, or by or under the authority of a foreign nation, when the board shall be satisfied that their standards and requirements for a certificate as a certified public accountant are substantially equivalent to those established by the act of which this act is an amendment, may at the discretion of the board receive a certificate as a certified public accountant, and such person may thereafter practice as a certified public accountant and assume the name, title and style of "certified public accountant" or any abbreviation or abbreviations thereof, in the State of California; *provided, however*, that such other state, territory or nation, extends similar privileges to certified public accountants of the State of California.



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